Railway Age
...for the new age of railways
February 1987

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THE ARCHITECTS OF CHANGE:

Hays T. Watkins

"CSX is no longer solely a railroad company. We must be a market driven transportation company or be driven out of the market."

High speed rail: Florida sets the pace

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"We either have to go where the productive capacity is being located and participate in the entire transportation movement or else die a slow death," says CSX's chairman and CEO.

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Market Outlook

Capital expenditures

CSX: Railroad capital program for 1987 will total approximately $600 million, compared with an estimated $800 million in 1986. Except for the purchase of 250 RoadRailers, most of the money will be spent for improvements to track and facilities. Approximately 3,000 freight cars will be rebuilt and 11,000 cars will undergo repairs.

Norfolk Southern: Plans to invest $538.4 million in capital improvements this year, down 13% from the $618.1 million programmed for 1986. The 1987 budget comprises $418 million in new projects and $120.4 million carried over from 1986. Roadway improvements will account for $425.9 million of the '87 program and equipment purchases for $112.5 million. Equipment outlays include $30 million for intermodal trailers, containers and RoadRailer units; $26.3 million for 25 new diesel-electric units; $23.9 million for more than 700 multi-level, enclosed motor vehicle racks; $6 million for 300 100-ton covered hopper cars; and $1.6 million for installation of wheel flange lubricators on 185 locomotives. In the roadway category, $214.1 million has been allocated for track and related work. Other projects include $5.6 million for construction of a yard to serve the new Chrysler/Mitsubishi plant in Bloomington, Ill.; $1.3 million to relocate the Alexandria, Va., yard to Manassas; $16.7 million for m/w equipment; $2.5 million for crossing protection; and $4.9 million for microwave system improvements, including $2.6 million for replacement of microwave equipment between Atlanta and Cincinnati. Intermodal facility expansion has been budgeted at $9.1 million.

Trailer Train: Capital spending plan for 1987 calls for investment of $125 million in new equipment. That's up from the $107 million actually spent in 1986. The '87 plan calls for acquisition of 2,500 double-stack wells, 300 spine (skeleton) cars for containers, and 300 center-beam cars; in addition, the plan looks to acquisition of a substantial number of intermodal platforms as replacements for existing equipment. In 1986, TT acquired 2,080 double-stack wells, 600 single-platform FrontRunner units, and 675 center-beam cars.

Equipment

General American Transportation Corp.: Purchased 229 33,500-gallon-capacity pressure tank cars from Phillips 66 Co. Delivery is to be completed by April 1.

RoadRailer: Subcontracted an order for 250 Mark IV RoadRailer units to Wabash National, with deliveries scheduled to begin in March. The 48-foot units will be acquired by CSX Transportation for its CSXpress RoadRailer Service between Detroit and Atlanta. RoadRailer will provide engineering, operational support and proprietary material; Wabash National will handle manufacturing and assembly.

This is the second commercial RoadRailer order to be placed; earlier, RoadRailer subcontracted for 250 units to Stoughton Trailers on an order from Norfolk Southern. Meanwhile, RoadRailer, a subsidiary of Duchossois Industries, said that a number of other manufacturers would be considered for future orders, including Dorsey Trailers, Miller Trailers, Great Dane Trailers and Utility Trailer.

Freight car and locomotive production statistics for calendar 1986 were not available at press time.

Revenue freight carloadings

Commodity	Jan. 3 week	Dec. 27 week	Dec. 20 week	Dec. 13 week
Grain	14,978	16,389	26,427	28,101
Other farm products	3,595	3,115	4,235	4,803
Metallic ores	4,402	5,331	9,853	10,383
Coal	76,803	65,311	118,999	118,127
Crushed stone, gravel and sand	6,803	4,582	10,130	11,793
Nonmetallic minerals	7,691	7,900	7,478	8,733
Grain mill products	9,486	8,207	11,079	11,344
Food and kindred products	7,560	7,131	10,795	11,337
Primary forest products	8,602	5,776	11,107	10,398
Lumber and wood products except furniture	5,267	4,952	7,781	7,417
Pulp, paper and allied products	13,165	11,462	12,132	12,511
Chemicals and allied products	22,760	18,059	24,486	23,279
Petroleum products	3,924	3,207	4,462	4,187
Stone, clay and glass products	7,078	5,464	8,451	8,899
Coke	4,128	3,775	3,527	3,837
Metals and products	7,108	5,368	6,947	7,122
Motor vehicles and equipment	4,644	10,570	19,721	22,300
Waste and scrap materials	4,888	4,608	7,902	8,217
Forwarder and shipper assn. traffic	1,515	1,980	3,022	2,998
All other carloads	47,383	46,075	74,791	72,733
LCL traffic	40	46	103	122
Total Cars Loaded	261,829	239,368	383,436	388,641
% change from previous year	(7.4)	(1.8)	0.3	(1.9)
Estimated revenue ton-miles (billions)	12.0	11.2	17.3	17.5
% change from previous year	(5.9)	(11.0)	1.7	1.0

Total:	1986	1985	% change
52 weeks	879.6	876.7	0.3

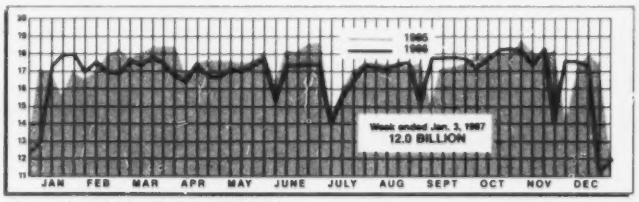
Piggyback loadings

	Dec. 27 week	Dec. 20 week	Dec. 13 week	Dec. 6 week
Trailers/containers	72,368	106,675	104,964	95,039

Cumulative total, 52 weeks		% change from 1985
Trailers/containers	5,011,037	9.8

Rail freight traffic trends

Billion ton-miles (Estimated)



Source: Association of American Railroads